

**HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004**

The Hamilton County Board of Aviation Commissioners met on Thursday, November 4, 2004 in the Commissioners Courtroom in the Hamilton County Government and Judicial Center, One Hamilton County Square, Noblesville, Indiana.

Kim Rauch called Roll and declared a quorum present of Tim Tolson, Tom Kapostasy, Jon Ogle and Don Silvey.

Approval of Minutes

Jon Ogle motioned to accept the minutes of October 7, 2004. Tom stated on page 4 under the T-Hanger lease there was a statement that said, "Carl stated their long range plan is to build one building every six months until they are built out." Tom asked Carl if that accurately reflected what he said. Carl stated the plan is to build up to seven buildings on that side. As we lease them we will start the next building. Tom asked if that is Montgomery Aviation building spec buildings or is it leasing land then building or is it as the airport manager on behalf of the Aviation Board? Carl stated Montgomery Aviation would build them. We are starting one right now to be available for lease in February. After that building is leased and as soon as we get 5-6 leases for the next building we will start the second building and keep going until we get the seven T-Hangers. Don Silvey seconded. Motion carried unanimously. (4-0)

Bid Opening

Demolition of Old Terminal Building

No bids were received. Mike Howard suggested the board authorize the project be re-bid. Howard will contact the Right of Way Manager at the Hamilton County Highway Department to have the notice sent to contractors engaged in this business. Mike stated by statute we are authorized to waive a bid bond and a performance bond if the work is less than \$100,000.00. Mike suggested the board authorize the re-bidding of the bid without the requirements of the bid bond and performance bond. Tom motioned to allow this to be re-bid without the requirements of the bonding. Don seconded. Motion carried unanimously. (4-0)

Public Comments

Ray VanSickle stated IC 8-21-10-3(h) stated "a permit issued under Subsection B must contain the following statement, "the permittee acknowledges for itself, its heirs, its successors, and its assigned that the real estate described in this permit experiences or may experience significant levels of aircraft operation and that the permittee is erecting a building described for noise sensitive use upon the real estate with the full knowledge and acceptance of the aircraft operations as well as any effects resulting from the aircraft operations." Ray stated he is bringing this up because Abbitt Farms was issued zoning to build 358 homes. The problem is that the Division of Aeronautics, State of Indiana, has essentially allowed, through a policy that has been in place for several years, to issue one of these permits for the whole subdivision. You will run in to the same thing that happened at Metro Airport. This was done with the D.B. Mann properties and the people did not know they were in a noise sensitive area because it was hidden in the covenant. Ray stated he would think the Board would want to question this policy with the Division of Aeronautics. They do not want to voluntarily issue separate permits. This is recorded on the deed and you have to put this in ahead of time before you start building. Ray stated he thinks this is something the Board needs to consider. There is nothing required to tell people it is a noise sensitive area and there will be aircraft passing over the property. The people need to know what they are getting themselves in to.

Maria Muia stated Mr. VanSickle is referring to the disclosure statement in the Indiana Code, there is a policy in the Aeronautics Section of INDOT to issue one permit based on that language being put in the plat verses a single permit for each home.

Mike stated he has reviewed the preliminary language in the covenants, he has not seen the final language. That language would have to be reviewed by Mr. Niblick on behalf of the Boone County Plan Commission. The language Mike saw was substantially more than what is in statute. Mike suggested contacting Mr. Niblick to get that. How people find out about this

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

language – if a document is recorded with each building permit, as part of the deed and there will be something in the title binder. If it is in the covenant it will say “subject to the terms and conditions of the covenants restricted as recorded by an instrument number”. Mike stated he agrees with Mr. VanSickle that neither an initial purchaser nor a subsequent purchaser will likely read that language.

Maria stated it would be 300 separate letters verses one that INDOT would need to prepare. Tim asked with Maria’s experience with INDOT, would Hamilton County, as owners of the airport, take it upon themselves to send notice to the people? Is this something that AAI has addressed? Maria stated notification of landowners was done for Terry Airport, prior to Hamilton County’s ownership. Maria stated AAI began a legislative effort two years before her departure from INDOT and was unsuccessful in their first try and the second try is the language that exists today. It codified what INDOT was doing by policy. It did not codify an individual permit for each landowner.

Ray stated these people, even with this in place, will come over and complain. He knows the Board would like to see Boone County cooperate, but the reaction received is that Hamilton County has given up the ability to get an extended runway. Boone County is more concerned about development and as long as more money is being brought in than being put out, they are happy. The airport has to be looked at as a facility that can grow. It is growing at a fantastic rate and it will not slow down. There will be more activity, more noise and more people complaining about it.

Tom stated his opinion is that it is not worth this Board’s time to try to change the State of Indiana’s world, however the Board of Aviation has the responsibility to assertively communicate to potential and actual homeowners that the airport is there. Working through the State is a proper way to do that. The next five years is the key, if the airport continues to grow at the rate it is growing now, the neighbors will not be able to claim ignorance. Have any municipalities done anything such as taking an ad out in the newspaper’s real estate section saying that there is an airport in the area or to put a billboard up that says Welcome to Indianapolis Executive Airport or work directly with the developer to increase the knowledge of the location of the airport? The FAA expects us to do something. Maria stated most airports are in their own county, which helps handle things more politically. She has not known of anybody to take out ads, etc. A lot of airports will have open houses and invite surrounding neighbors to come see the airport.

Secretary’s Report

Kim Rauch distributed a memo from the Auditor’s office regarding the salary calculation for employees being paid from two departments.

Kim stated encumbrances are due December 15, 2004.

Tom asked if the Board needs to make a motion to approve the yearly interest payment to Mr. VanSickle? Kim stated no, it is paid in December from a line item in the general aviation fund.

Tom asked if the Board appoints the person to audit Montgomery Aviation? Kim stated the board should. Tom asked if there is someone in the County’s Auditor’s office that can give the board what the scope of the audit would be? Andrea Montgomery stated it is part of the operation agreement, every quarter and annually the board will receive a audit. It was designated that Million & Company will reconcile at the end of the year. Tom asked if the board would pay him? Andrea stated the board pays for it. He will be paid at the end of the year for the audit that is required by the contract. Tom asked if there is any other need from the State or the County for the operating agreement. Mike stated the State Board of Accounts might request a copy of the private audit. Kim stated the State Board of Accounts is just now completing the 2003 county audit and they have audited the aviation funds. Jon stated by law the State Board of Accounts is the only agency that is authorized to audit county records.

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

Tom asked if there are any marketing or public relations resources that the Board could use to help with the marketing of the airport? Mike suggested the Hamilton County Visitor's and Convention Bureau. Andrea stated she works with Boone County Economic Development and she thinks it would be beneficial if the Hamilton County's Alliance would do the same thing. Mike suggested they contact Jeff Burt. The Board will initiate a letter and name Montgomery's as the contact.

President's Report

AAI Annual Conference

Tim stated he and Tom attended the annual AAI Conference. Tim congratulated Dan and Andrea for their award for outstanding performance and contribution to Aviation in the State of Indiana for 2004. Tim thanked Carl for his work on the 2003 Economic Impact Study. Tim congratulated Larry Creakbaum and Maria Muia for their contribution to the conference.

Tim suggested setting committees and holding work sessions on the following topics:

- CIP process. Mid-States has agreed to hold a work session for the CIP. The Board should be more involved in this process.
- Stormwater Rule 6
- Review and set the minimum standards.
- Review the rules and regulations.
- Strategic planning for revenue streams, marketing strategy, long-term financial plans, consumer service objectives, the mission vision, zoning protection strategy, public relations strategy with Boone County and values statement.

Tim stated he has set five goals:

1. Preserve and protect a vital part of the county's transportation infrastructure.
2. Be self sustaining and profitable.
3. Reimburse the county for the purchase of IEA.
4. Provide economic development increases.
5. Provide an airport that meets the standards and safety that is expected of public ownership by Hamilton County and continue forward with our capital improvement plan.

Tom stated attending the conference was a good experience. The aviation community in Indiana is very aware of Indianapolis Executive Airport. The FAA, INDOT, other airport managers are very pleased with the progress that has been made to increase traffic and the public ownership. Their view of the terms and conditions of accepting airport improvement program grants, Part 21 in compatible land use, each of these people would recommend we take a more assertive stance in looking out for the future of the airport. Tom stated he agrees with that and his votes and recommendations in the future will take into consideration that consensus.

Tim stated Jim Keefer, INDOT, has requested the minutes of the meetings and contact information which Kim has taken care of.

Tom asked if the Board is interested in going forward with a Capital Improvements Project workshop? Mike stated whomever works on the CIP also needs to sit down with the county council for a discussion of a reimbursement plan. Safety issues are high priority to the FAA. Reimbursement of land acquisition is low on the list. Maria stated the FAA is not going to give you \$1 million to spend it where you want. When the money comes, you will be told what to do with it. When we went Washington D.C. we requested \$2 million for land reimbursement, obstruction removal and the fuel farm. If we get some sort of congressional interest line item it may say exactly what we are going to do with that money or it may say airport improvements, we don't know. The conversation you need to have with the county is if they are willing to support a longer time to be paid back in the hopes of maximizing the amount of money the airport could get in other items that are more of a priority to the FAA. Mike stated the more you get in federal money for the smaller capital projects, we will not be funding them 100%. If we are not funding

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

them 100% then some of the fuel revenue could go towards the reimbursement along with the primary entitlement money. The goal is to pay off VanSickle's contract before it balloons in five years. The council has been appropriating the interest. Mike suggested the board authorize a claim for the next meeting to be paid from Grant AIP-10, in the amount of \$150,000 to apply to the outstanding loan with VanSickle. Don motioned to approve. Jon seconded. Motion carried unanimously.

Tom clarified that the land cost reimbursement is the FAA reimbursing Hamilton County for purchasing the airport, whether we paid cash or whether we have a mortgage note to somebody else, they do not really care. Maria stated if you chose to pay the county with that money, you could. Tom asked what component of the total amount paid by the county for the airport is eligible for reimbursement? Muia stated the reimbursable amount is approximately \$4.6 million. Maria stated after AIP-09 and AIP-10 she is showing approximately \$4.1 million left to be reimbursed. Mike stated our instructions from the council were to pay the note first and then the county.

Tom stated the FAA thought the aviation board should drive the CIP and should include a broad range of people. Mike stated we have a situation where the county is providing money to run the airport and we don't have enough cash flow to pay it back, so that will be an ever present part of the CIP. Mike stated you may be able to go to the council and they may be flexible on that. Mike stated that is the first place to go. Tom stated for the airport, as an entity, there is an interest in including the people who have an interest in the airport, whom are not the county council and commissioners. Their only interest is making sure we do our job and they get their cash back. They don't want to know if we are going to extend a runway, add a taxiway, add a septic system, etc. Mike stated a meeting with the council would be the first step and then a representative of the Board meeting with the Montgomery's and the consultants to see what makes sense for capital improvements. Maria stated it is a great idea for the board to take an active role in the formation of the CIP. Don asked if we are heading for a work session that is a) economic, b) capital improvements? First is economic to see what the real numbers are what we can do with that and then see what we have in needs. Tom stated he agrees with Mike that we should request from the county for a delay in payments, which is the opposite side that Robin Mills asked us six months ago which was to ask for an appropriation each year to pay the mortgage off. We need to meet with the council to find out where they stand. Don stated he would like to see what we have coming in monthly, everything that is financial and put it on one piece of paper. Discussion followed. Tom stated his recommendation would be to go forward with the CIP and then work with the council. Jon will work with the council.

Mid-States Engineering

REIL Contract

Muia requested approval and signature on the contract with Michiana on the contract for installation of the REILS in the amount of \$18,000.00. Howard stated we would not be able to give notice to proceed until we have funding. Don motioned to award the contract per the engineer's recommendation subject to budgeting and financing. Tom seconded. Motion carried unanimously.

Survey, Legal Description Professional Services Agreement

Maria requested approval of a Professional Services Agreement with Mid-States Engineering. Howard stated we need a survey for meets and bounds to be attached to our leases, which would be our cost. Montgomery will need a marked field survey for the financing purposes. Mike stated the proposal is \$2,000 paid by this Board. Mike suggested the Board authorize somebody to sign an agreement that would provide that this would be a joint contract and Hamilton County's obligation would be 1/3 of the contract amount not to exceed \$2,000 with Montgomery Aviation to pay the difference. Tom motioned to approve Tim as the signatory and approve the agreement. Jon seconded. Motion carried unanimously. (4-0)

Maria asked Mike what is the status of the land trade? Mike stated it is waiting for the appraisal.

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

Capital Projects

Tom stated we have \$2 million that is a separate appropriation and then \$150,000 for each year. For each of those submitted the \$150,000 grants have been for land acquisition? Does it state that in the purpose? Maria stated yes. The first grant was for \$300,000 for land acquisition reimbursement and obstruction removal. It was amended by an additional \$50,000 for obstruction removal. There was a total of approximately \$4.6 million eligible, with 95% FAA, 2.5% State and 2.5% local. Tom stated other than the \$2 million of projects, are there any other outstanding projects that have been submitted and we are waiting to hear back? Maria stated the CIP is submitted, but you don't submit applications for everything on your CIP. They have not been actively submitted.

Tom asked if the FAA has to approve the construction of buildings? Maria stated any construction that is done on the airport requires filing a FAA Form 7460. Tom asked if this will cause a delay in building? Maria stated if the construction is shown on the approved airport layout plan it would be a non-objectionable.

Tom asked if there is anything we are aware of in terms of reliever status for our airport that we need to file? Maria stated technically the airport is not reliever status anymore. The definition of reliever status has been changed.

Indianapolis Executive Airport

Andrea thanked Tim and Tom for attending the AAI meeting. In talking with Tom and Tim it was decided that workshops, held at the airport, are appropriate.

Andrea stated she spoke to Jim Keefer, INDOT, regarding the signage on US 31. The sign for the airport is a very small sign mixed with highway signs. Andrea asked INDOT to look at that and either make the sign bigger or put it on the other side of the road to acknowledge that there is an airport on SR 32.

Andrea stated marketing was discussed during the AAI meeting. She is working with the Boone County Economic Development Corporation. She has been asked to be a member of the Boone County Chamber of Commerce. She does not have contacts on the Hamilton County side, which the Board could act in that capacity to get the airport in the front of economic development as well as tourism.

Andrea thanked Carl Winkler for his work on the Economic Impact Study.

Andrea asked what is the status with the web site for Indianapolis Executive Airport? Andrea would like to get a web site up and running for the airport. [8:02:22] Mike stated there is not money to develop a web site, but if the Board wants to reserve the domain name then we can process the claim, subject to appropriation from the capital account.

Andrea stated Robert Fearrin has requested information from Facer Insurance. Mike stated Fearrin is the agent of record for Hamilton County. He is charged with making sure that all the underlying assets are insured and they do not have to be added to the general policy. Mike stated those questions should be given to Fearrin. Andrea stated the insurance coverage could be a workshop topic. [8:03:41] Don will be the insurance liaison and attend the workshop. Mike stated that meeting should also include Fearrin.

Andrea stated she is working on the updated security procedures. They are updating the rules and regulations that are posted at the airport. They will meet with representatives of Hamilton County, Boone County, Zionsville and Westfield for their input and then it will be brought to the Board for their input. They would like to have the security procedures in place next year.

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

The 3rd Quarter Fuel Report was distributed by Carl.

Tom asked if the unexpected expenses, presented at last month's meeting, are those expenses covered in the 2005 budget? Andrea stated \$5,000 is inputted in the budget. She chose not to pay it to insure that we have enough working capital through the end of the year. Tom asked if it is a cash flow issue? Andrea stated yes.

Tom stated Montgomery's believe the farm income should have been put into the Montgomery's operating income. Mike stated that is correct. Mike stated all revenue goes to the operators of the airport. They get a percentage of all revenue. Mike stated we need the cash in our account so council can appropriate it in December. Tom stated he is not sure that was the agreement said. He thought there was the ability that this separate account has significant additional revenue and expenses without further appropriation. Andrea stated she could continue to pay the operating expenses of the airport to come up with the \$10,000 because our income has exceeded our initial budget. Howard reviewed the operating agreement, which states income is deposited in to the airport operating account until there are sufficient funds to pay operating expenses, thereafter income will be deposited in to the airport capital account, which is handled by the Auditor and requires appropriation by the Council. Tom stated the operating account is designed to have a \$20,000 working capital and beyond that whatever net income you have that you believe to be permanent gets put in to the capital account. It was his understanding that it was the net of the income minus appropriate operating expenses that would determine what got to come out. In that sense the farm income would go in and would not go out until you are sure there were not other operating expenses that need to be paid out of it. Andrea stated she does not need it, but for budget purposes the Board needs to be aware it did not come in.

Dan Montgomery presented an invoice from Professional Garage Doors in the amount of \$8,845.00 for the installation of a gate. Kim will process the claim.

Dan gave the farm land payments from the Bailey's to Kim.

The steel building was started this month and expects it to be done in three weeks. Dan asked if he has to fill out the 7460 form? Mid-States will take care of completing the form for Montgomery's.

Dan stated he would like to hire Mid-States to fill out the Rule 6 application. Dan stated he thought the airport was exempt, but we have moving fuel trucks so we are not exempt. Muia stated you have to have a Notice of Intent Letter and then a stormwater pollution prevention plan needs to be done within one year. The airport falls under Rule 6 guidelines due the fuel outside of the regulated underground storage tank, which is the fuel truck. Dan requested approval to hire Mid-States Engineering to start the process. Mike asked Mid-States to give us a proposal at the next meeting.

Dan stated he has met with Paul Kite, Jr. and he would like to build a 100' x 100' building. We need to discuss a land lease and infrastructure. Mike asked if that is going to require a taxiway extension plus a mound system? Dan stated yes. Maria stated they do not expect state approvals for the mound system until at least the beginning of the year. Maria stated we would need to determine where the mound system is going to go. Mike stated we will need a budget for the mound system, the Board will probably have to go before the council to get an appropriation. Mike asked Maria to prepare a cost estimate.

Tom asked about the information Carl sent regarding the fuel pricing regarding limiting the margin and not increasing the fuel price in an effort to try to keep buying fuel at the airport. Does that have any negative impact on the county's revenue or is the county's revenue the .19¢ per gallon? Dan stated the county's revenue is .19¢, you will get your money regardless.

**HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004**

Tom asked if they have a T-Hangers pricing schedule? Does the county control it? Dan stated Montgomery Aviation controls the pricing since we are building the T-Hangers. Tom asked for a copy of the pricing schedule.

Old Business

Policy Statement

Jon motioned to adopt the following Mission Statement: "The Board of Aviation strives to meet the needs of Hamilton County and central Indiana citizens for quality air transportation services and associated economic development opportunities. The board supports the development, operation, maintenance and promotion of private and public owned airport facilities and services in Hamilton and adjoining counties." Don seconded. Motion carried unanimously.

Workshops

Tim and Tom will meet with the Montgomery's discuss a workshop schedule and present it at the next board meeting.

Ray VanSickle suggested the board get an air easement before Abbitt Farms is platted. It will be cheaper now.

New Business

2005 Meeting Schedule

The board adopted the 2005 Meeting Schedule as the first Thursday of each month at 6:30 p.m.

Legal Counsel Report

Property Taxes

Mike requested approval of a claim for the payment of 2004 Fall property taxes for the land at the airport that is used for crops in the amount of \$2,928.70. Mike stated at the next meeting there will be a claim presented for reimbursement to Ray VanSickle for the payment of the 2004 Spring taxes. Jon motioned to approve. Don seconded. Motion carried unanimously.

Mike stated he would probably not be at the December meeting, as he will be coming back from vacation that day.

Tom asked stated under the acceptance of grants there is language regarding equal treatment of vendors, leases, suppliers, etc. Tom asked Mike to give consideration to our operating agreement with Montgomery's as well as our renewal that gives them the exclusive option to some of that land as to whether or not we are providing an unfair advantage to them that is conflict with our representations to the FAA? Mike stated all contracts or bid documents include Federal Equal Opportunity language. Tom stated he is talking about the lease where the Montgomery's have the exclusive option to a certain amount of property that is prime property that may be in conflict with what the FAA says you can or cannot do. Mike stated we have looked in to that and he was more conservative than other language used in other agreements.

Tom asked if the Right of First Refusal to Boone County provided consideration from Boone County? Mike stated this was part of our good neighbor policy and this would provide some good will. Tom asked if the county commissioners or county council should have approved that agreement? Mike stated the agreement included a statement of "subject to appropriate procedures".

Tom stated the county council web site states that one of the council's duties is to approve any leases with annual rental payments of \$3,000 or more. As we continue to sign additional lease agreements with the Montgomery's, which are less than \$3,000 each, will the council view them collectively as more than \$3,000 a year and would they require the council's approval? Mike stated those are \$3,000 payment leases as opposed to receipts.

HAMILTON COUNTY BOARD OF AVIATION COMMISSIONERS
NOVEMBER 4, 2004

Jon motioned to adjourn. Don seconded. Motion carried unanimously.

Present

Tim Tolson
Tom Kapostasy
Jon Ogle
Don Silvey
Michael Howard
Maria Muia, Mid-States Engineering
Mike Evans, Mid-States Engineering
Dan Montgomery, Montgomery Aviation
Andrea Montgomery, Montgomery Aviation
Carl Winkler, Montgomery Aviation
Ramon VanSickle, 11025 E. SR 32, Zionsville

APPROVED

ATTEST

Tim Tolson, President

Kim Rauch, Secretary

Date: _____

Date: _____